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October 17, 1996

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OCT 18 1996

Federal Communications Commission  
Office of Secretary

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: Ex Parte Presentation - PCS Development Corporation in the  
Matter of Implementation of Section 309(j) of the  
Communications Act - Competitive Bidding Narrowband PCS (PP  
Docket No. 93-253) and Amendment of the Commission's Rules  
to Establish New Narrowband Personal Communications  
Services (GEN Docket No. 90-314; ET Docket No. 92-100)

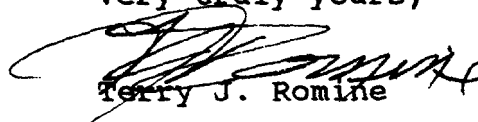
Dear Mr. Caton:

Pursuant to Section 1.1206(a)(1) of the Commission's rules, this  
letter, in duplicate, is to notify the Commission that representatives  
of PCS Development Corporation ("PCSD") made an oral ex parte  
presentation to the following persons: Jackie Chorney, Rudy Baca,  
David Siddall, and Suzanne Toller, in connection with the above-  
referenced matter.

Enclosed herewith is a written summary of the matters presented.

Kindly contact the undersigned, should the Commission have any  
questions in regard to this matter.

Very truly yours,

  
Terry J. Romine

Enclosures

cc: Jackie Chorney  
Rudy Baca  
David Siddall  
Suzanne Toller

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POSD  
CORPORATION

# Key Milestones

## 1996

- Successful test of voice messaging technology
- Secured additional spectrum in major markets
- Staffing of management team
- Secured MOUs with 19 paging companies
- Credit facility arranged
- Network buildout in top 10 BTAs

## 1997 and Beyond

- Launch commercial operations
- 50% coverage of U.S. population
- Anticipated initial public offering
- Rollout new services

## Status

- Completed
- Completed
- Completed
- Completed
- Completed
- Pending

2Q 1997

4Q 1997

1997

1998

# PCSD Position on NPCCS Regulatory Environment

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- Spectrum Allocation Rules
- Small Business Participation in Upcoming Auction
- “Post Adarand” D.E. Rules

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**PCSD**

# PCSD Supports the Original F.C.C. Proposal for NPCS Spectrum Allocation

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- National, Regional, MTA, BTA mix.
- F.C.C. should maintain MTA/BTA's in upcoming NPCS auction.
  - Business plans based on rules.
  - Capital invested.
  - Allows carriers to optimize for individual needs.
  - PCSD intends to acquire additional spectrum capacity where needed.
  - Larger geographic licenses serve as barrier to entry.
  - F.C.C. auctions raise more net revenue with smaller geographic areas.  
(e.g. Broadband, A & B vs. C, Narrowband, National vs. Regional.)
- All public comment on this topic support PCSD's position.

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**PCSD**

# The F.C.C. Should Increase Small Business Participation by Allowing Preferences to Apply to All Licenses in NPCS Auction

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- Bid credits were worthless in required NPCS, but real in 900 mhz SMR.
- Only difference between regional NPCS and 900 mhz SMR was ability to use credits on all licenses (900 mhz SMR credit was actually less than regional NPCS - 10% vs. 40%.)
- Applying small business preferences to all licenses will increase small business participation and increase net revenues to the F.C.C.

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**PCSD**

# PCSD Requests Clarification that the Anticipated Narrowband D.E. Rules will Apply to All Narrowband Licensees

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- Race and gender preferences were of no value. (AT&T paid \$80 million. PCSD paid \$90 million.)
  - PCSD has met all D.E. rules including control group and small business status.
  - Race and gender based D.E. status harms PCSD's ability to raise capital.
    - Increase regulatory risk factor.
    - Bond market required more equity.
    - Minority equity sources are not sufficient.
  - Given "Post Adarand" rules, and assuming no transfer of control of PCSD licenses, PCSD requests clarification that new Narrowband rules apply to all Narrowband licensees.
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**PCSD**